

Daim queries reasons behind ringgit fall

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TELL THE TRUTH : Daim says Malaysia is in crisis and the government needs to acknowledge this fact and find ways to improve. He says the government must gain the trust of the people. (Pic by:Hussein Shaharuddin/TMR)

Former Finance Minister Tun Daim Zainuddin said Malaysia's lack of clarity over issues is pushing down the ringgit even as the government is talking about strong fundamentals.

Daim said people are confused because they have been told the nation's fundamentals are strong but yet, the ringgit has tumbled in recent months.

"People have no faith in the country. If everything was okay, then Ringgit should not have gone down," he said.
"When I was the finance minister, people trusted me. They trusted me because I was a successful businessman. Even in a crisis, they believed me."

Asked if the country is in an economic crisis, Daim said Malaysia was in a crisis and the government need to acknowledge this fact and find ways to improve.

Daim, who fielded questions at a forum of young entrepreneurs organised by The Malaysian Reserve yesterday, said the government must gain the trust of the people immediately by telling it like it is.

"The Prime Minister says we are not in crisis, but the real situation on the ground is that prices and inflation are going up. The Government should explain to the people."

Daim, who was finance minister during the severe 1998 Asian financial crisis, said the current government must explain the "truth", as every citizen deserves to know what is happening in the domestic economy.

The former finance minister said one of the issues that are causing uncertainty among investors and a factor in the depressed ringgit is 1Malaysia Development Bhd (1MDB).

He said 1MDB caused a lot of uneasiness among Malaysians, mainly due to the heavy debt surrounding the company and the secrecy in running its business operations.

"There is a huge debt around 1MDB but the government is not coming out to explain. They have appointed a President (Arul Kanda) who is media-friendly but he was not answering the questions."

He said even simple questions about the strategic investment company are not being answered properly, like why it needed to borrow so much for its projects, or what it was doing with the money it raised through borrowings.

"All these makes Malaysians more suspicious of the government and its activities," he said.

Asked how he would manage the economy if he were running the country, Daim said:

"It's lucky that I am not running the government, but if I were, I would resign."

Daim said the government needed to improve how it is perceived by being more transparent about the state of the economy, including Malaysia's national and corporate debt.

He said the government needed to get out of being involved in business and leave it to businesses.

Daim said it was inappropriate for government agencies to look after the interests of the private sector.

"The public sector should take care of the public sector. The government's responsibility is to run the country, not tell the private sector what to do," he said.